

THE BALDWIN COMPANY

GRAND PRIX
PARIS, 1900



THE GRAND PRIZE

ST. LOUIS, 1904
AND
LONDON, 1914

REPORT TO STOCKHOLDERS
YEAR 1932

MRB
CORE FILE

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THE BALDWIN COMPANY AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1932

ASSETS

Cash and U. S. Government Securities-----	\$1,205,451.31	
Notes and Accounts Receivable-----	3,345,110.06	
Inventories -----	1,550,209.86	
Total Current Assets -----	6,100,771.23	
Plant and Equipment:		
Real Estate and Buildings-----	\$1,079,163.00	
Machinery and Equipment-----	1,026,407.05	2,105,570.05
Other Assets -----		35,570.00
Deferred Charges to Future Operations-----		1,452.97
Total Assets -----		\$8,243,364.25

LIABILITIES AND CAPITAL

Accounts Payable -----	\$	85,780.93	
Accrued Expenses (Taxes, Interest and Wages)---		100,232.46	
Total Current Liabilities -----	\$	186,013.39	
Deferred Credits -----	\$	90,163.63	
Reserves (Including Reserves for Depreciation)---		2,037,101.43	
Funded Debt:			
Gold Notes -----	\$2,190,000.00		
Less:			
In Treasury -----	1,163,500.00	1,026,500.00	
Capital Stock:			
Preferred -----	\$2,232,700.00		
Less:			
In Treasury --	264,700.00	1,968,000.00	
Common -----		1,070,292.80	3,038,292.80
Surplus:			
Capital -----	222,268.75		
Earned -----	1,643,024.25	1,865,293.00	
Total Liabilities and Capital -----		\$8,243,364.25	

We have audited the accounts of The Baldwin Company and its subsidiary companies as at December 31, 1932. We accepted a certificate from your Secretary as to the accuracy of the inventories. Subject to this qualification, we certify that the above presents the condition of The Baldwin Company and its subsidiary companies at December 31, 1932.

MURPHY, LANIER & QUINN.

The management has not relaxed its search for added activities and products which can be manufactured profitably in our plants. We believe that our conservatism in investing capital in such other activities has been clearly in the best interests of the business.

The activities of the department organized two years ago for the manufacture of artistic interior trim woodwork in building construction, have naturally been restricted by the limited amount of building work now being done, but this department should prove a satisfactory adjunct to our business when the building trade once more becomes active.

Attention is called to the fact that due to the change in date of the Annual Meeting from January to April, it has been possible to include the certificate of the Company's outside auditors as a part of this report to stockholders.

I believe an aggressive forward looking policy is fundamental to maintain this Company in the front rank. The Directors, Officers and Employees are bending their best efforts in this direction.

Respectfully submitted,

THE BALDWIN COMPANY

Lucien Wulsin, President.

OFFICERS:

Lucien Wulsin.....	President and Treasurer
J. P. Thornton.....	Vice-President
A. J. Schoenberger.....	Secretary
W. H. Smith.....	Asst. Treasurer
C. W. Fessler.....	Asst. Secretary

DIRECTORS:

Lucien Wulsin
Cincinnati
J. P. Thornton
Cincinnati

H. C. Dickinson
Chicago
Wm. J. Rielly
Cincinnati

Philip Wyman
Cincinnati

GENERAL OFFICES:

Gilbert Avenue, Cincinnati

Cable Address: "Baldwinco, Cincinnati"

PRINCIPAL SELLING OFFICES:

Cincinnati
St. Louis

Chicago
Denver
Louisville

New York
San Francisco

EXPORT OFFICES:

New York

Cincinnati

San Francisco

SUBSIDIARY COMPANIES:

The Baldwin Piano Company
Cincinnati

The Howard Piano Company
Cincinnati

The Baldwin Piano Mfg. Company
Cincinnati

The Hamilton Piano Company
Chicago Heights, Ill.

The Ellington Piano Company
Cincinnati

The Monarch Piano Company
Chicago

Cincinnati, April 13, 1933.

JUL 24 1933

ANNUAL REPORT TO STOCKHOLDERS

NOT TO BE TAKEN AWAY

To the Stockholders of

The Baldwin Company:

I submit to you the seventieth Annual Report, since the establishment of the business, for this Company and its subsidiaries.

The total volume of business done by the Company and its subsidiary Companies for the year 1932, exclusive of small goods amounted to \$3,336,822.27, a reduction of 32.2 per cent compared with 1931. Operations for the year show a loss of \$317,618.11 after deduction for taxes and interest, compared with a loss of \$663,353.00 for the year 1931. To reduce inventories to the present market, \$76,082.52 has been charged direct to surplus.

The reduction in the loss for the year 1932 compared with 1931 was due to substantial reductions in operating expenses and greater efficiency in manufacturing and selling departments. The operations for the first two months of this year show still further reductions in expense compared with 1932.

In accordance with the authorization from the stockholders at special meeting held October 27, 1932, the par value of the common shares of the Company has been reduced from \$20 each to \$8 each, and the sum of \$1,605,439.20 resulting from this reduction of the par value of the common stock has been transferred to surplus. Subsequently, in accordance with the recommendations contained in my letter to stockholders dated September 26, 1932, \$800,000 was transferred from surplus to reserves.

During the past year, funded debt was reduced \$125,000 through the operation of the regular retirement provision and through purchase of notes in the open market. 386 shares of Preferred Stock of the Company were purchased during the year at the market and are now carried in the Treasury.

During 1932, two developments in the Company's operations were of particular importance. On April 1, the new Baldwin Masterpiece Pianos were introduced to the public. These pianos received immediate acclaim and have brought additional distinction to the accomplishments of our technical staff. On July 1, the regular line of pianos, built by this Company was further simplified. Now three recognized trade names, the Baldwin, the Hamilton and the Howard adequately cover the entire market. This simplification with an attendant improvement in quality, has been of material value, not only to our factories in reducing the number of styles to be built, but also to our dealers in reducing the inventories needed to make a representative display of all types of pianos.

I am glad to report that the Finance Department is operating satisfactorily. The amounts charged against current operations to cover possible future losses are proving sufficient, and further losses, due to repossessions on the older accounts, seem amply covered by Reserves.

On June 27, 1932, Mr. George W. Armstrong, Jr., the Chairman of the Board of this Company, died at Christ Hospital, Cincinnati, in his seventy-fifth year. He entered the employ of D. H. Baldwin & Co., predecessor of this Company, on July 27, 1874. He became a partner in D. H. Baldwin & Co. in 1884, and on the organization of The Baldwin Company in 1901, became its Vice President and later its President in 1912. He retired from active management of the business in 1926 when he became Chairman of the Board of Directors of this Company. Sorrow at his death was felt not alone by his business associates, but also by all stockholders who enjoyed his friendship and knew his fine qualities. Mr. Philip Wyman, vice president of The Baldwin Piano Company, one of our subsidiaries, was elected to the vacancy in the Board of Directors resulting from the death of Mr. Armstrong.

Recent studies of the market indicate clearly a renewed and steadily increasing interest in pianos, particularly in homes with young children. The sale of pianos today varies in line with the activities of general business. Therefore, I believe we can look forward to an increase in the sales of this Company as general business improves.